

## Projected Revenue Gains and (Losses) of LB 775, LB 829 as amended, and LB 620 for Tax Years 1987-2016 Projects by Fiscal Years\*\*

The estimates are based on a sample of 100 agreements and actual results of 330 qualified projects, including 43 completed projects, from 1987 through 2002. Employment and investment flows are projected at rates indicated by the corresponding companies' applications. The analysis time frame considers future agreements signed through the year 2016 with a 95 percent success rate.

All other pertinent information as provided in the applications, such as salary levels and investment composition (not all property is treated equally in regard to tax preferences), is taken into consideration.

The classification of jobs into new economic jobs or existing jobs (jobs that would have been created regardless of the existence of LB 775, LB 829 as amended, and LB 620) is based on the company provided description of the project. The model estimates that 30 percent of the jobs created are true new economic jobs.

The credit used estimate is based on the assumption of maximized use for each year either against corporate income tax, individual income tax, or sales and use tax.

The time series analysis from 1987 to 2002 indicates that the usage of credits against sales and use taxes paid averages 47 percent of credits used. This usage factor was used for the future allocation of credits used. The liability analysis of the calendar year simulation model is converted into a fiscal year cash flow model.

The estimated profitability (individual and corporate income tax liability available for credit set-off) is based on the historical profitability of the respective companies.

The following is an estimate of new projects for the years 2003 through 2016.

Year	# of Agreements Signed	AVERAGE PER PROJECT*		
		\$ Million of Investment	Number of Employees	Salary Level
2003	21	44.3	299	29,535
2004	18	86.0	235	34,671
2005	18	56.1	204	32,601
2006	30	56.6	142	38,270
2007	20	53.1	126	35,985
2008	25	92.1	127	42,243
2009	41	52.6	291	39,721
2010	32	45.4	235	45,491
2011	28	41.0	135	36,439
2012	22	27.8	105	40,056
2013	20	35.3	91	39,067
2014	18	81.7	110	46,045
2015	31	56.6	184	38,200
2016	15	41.6	172	49,978

\* The investment and employment levels represent the entire investment and employment associated with the project through the entitlement period (employment levels represent the employees qualifying for credits).

\*\* A detailed description of the model is available upon request.

(Methodology and Assumptions for LB 775 Benefit and Cost Estimate; Nebraska Department of Revenue, Finance and Research Division, August 1996.)

**PROJECTED REVENUE GAINS OR (LOSSES) OF LB 775, LB 829 AS AMENDED, AND LB 620  
FOR TAX YEARS 1987-2016 BY FISCAL YEAR**

Fiscal Year		02/03	03/04	04/05	05/06	06/07	07/08
SUMMARY	Expansion: Sales and Use	75,543,669	79,146,155	83,346,818	90,113,085	94,854,328	82,650,613
	Corporate	7,930,657	8,337,045	8,746,243	9,274,321	9,957,040	10,012,116
	Individual	33,389,731	34,993,280	36,837,225	39,754,962	41,924,547	37,065,092
	Sales and Use Tax Refunds TPP	34,897,444	34,375,768	34,959,233	36,764,308	37,391,569	36,344,174
	Sales Only Formula	0	0	0	0	0	0
	Credits and Wage Benefit Credit Used	96,753,934	96,880,579	98,203,477	100,881,636	102,041,632	102,312,958
	Corp. or Individ. & Wage Benefit Credit	51,279,585	51,346,707	52,047,843	53,467,267	54,082,065	54,225,868
	Sales and Use	45,474,349	45,533,872	46,155,634	47,414,369	47,959,567	48,087,090
	Credits Expired	10,038,784	8,407,729	7,779,413	10,641,082	8,229,639	7,328,589
	Gain or (Loss)	(14,787,321)	(8,779,867)	(4,232,424)	1,496,424	7,302,714	(8,929,311)
	Cumulative	(485,805,968)	(494,585,835)	(498,818,259)	(497,321,835)	(490,019,121)	(498,948,432)
	Sales Tax Refunds (TPP+Credits Used)	80,371,793	79,909,640	81,114,867	84,178,677	85,351,136	84,431,264
Fiscal Year		08/09	09/10	10/11	11/12	12/13	13/14
SUMMARY	Expansion: Sales and Use	86,983,821	86,307,837	83,934,638	85,731,356	85,008,546	83,964,795
	Corporate	9,132,054	9,468,060	9,348,062	9,202,933	9,330,189	9,242,608
	Individual	38,446,350	38,310,359	37,313,080	37,973,716	37,735,494	37,282,961
	Sales and Use Tax Refunds TPP	35,847,402	37,254,193	39,499,537	39,807,029	38,122,691	36,492,342
	Sales Only Formula	0	0	0	0	0	0
	Credits and Wage Benefit Credit Used	103,339,530	105,452,928	108,149,054	109,637,024	109,004,231	107,532,920
	Corp. or Individ. & Wage Benefit Credit	54,769,951	61,162,698	62,726,451	60,300,363	59,952,327	59,143,106
	Sales and Use	48,569,579	44,290,230	45,422,603	49,336,661	49,051,904	48,389,814
	Credits Expired	7,237,295	6,291,336	6,272,667	6,761,212	7,290,147	7,441,432
	Gain or (Loss)	(4,624,707)	(8,620,865)	(17,052,811)	(16,536,048)	(15,052,693)	(13,534,898)
	Cumulative	(503,573,139)	(512,194,004)	(529,246,815)	(545,782,863)	(560,835,556)	(574,370,454)
	Sales Tax Refunds (TPP+Credits Used)	84,416,981	81,544,423	84,922,140	89,143,690	87,174,595	84,882,156
Fiscal Year		14/15	15/16	16/17	17/18	18/19	19/20
SUMMARY	Expansion: Sales and Use	84,380,365	84,522,957	90,302,914	105,269,261	106,934,135	97,627,621
	Corporate	9,169,393	9,214,062	9,402,757	10,307,209	11,589,225	11,471,453
	Individual	37,419,903	37,494,808	39,882,268	46,230,588	47,409,344	43,639,630
	Sales and Use Tax Refunds TPP	35,522,449	37,005,551	44,790,187	55,046,632	55,561,170	45,381,789
	Sales Only Formula	0	0	0	0	0	0
	Credits and Wage Benefit Credit Used	106,387,688	107,878,228	116,014,304	127,008,333	131,913,645	130,564,553
	Corp. or Individ. & Wage Benefit Credit	61,704,859	62,569,372	67,288,296	73,664,833	76,509,914	75,727,441
	Sales and Use	44,682,829	45,308,856	48,726,008	53,343,500	55,403,731	54,837,112
	Credits Expired	7,271,656	7,041,863	6,646,972	6,404,097	6,319,081	6,268,085
	Gain or (Loss)	(10,940,476)	(13,651,952)	(21,216,552)	(20,247,907)	(21,542,111)	(23,207,638)
	Cumulative	(585,310,930)	(598,962,882)	(620,179,434)	(640,427,341)	(661,969,452)	(685,177,090)
	Sales Tax Refunds (TPP+Credits Used)	80,205,278	82,314,407	93,516,195	108,390,132	110,964,901	100,218,901

NOTE: Rounding differences may cause slight variations.